

IC STAFF

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CIA-RDP90M00551R002101390027-6

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TO:	ACTION	COORD	INFO
EO/ICS			
D/ICS			X
DD/ICS			
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EA-D/ICS			
SA-D/ICS			
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REO			
COMIREX			
SIGINT			
HUMINT			
MASINT			
IPC			
PBO			X
PPO			
CCISCMO			
IHC			
RDCO			
LL			
SECRETARIAT			
ADMIN			X
REGISTRY	06 3/15/88		
SUSPENSE: _____ Date			
REMARKS:			

16 MAR 88

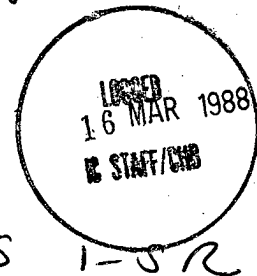
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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

March 4, 1988



CIRCULAR NO. A-76
Revised
Transmittal Memorandum No. 6

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Revised Retirement Cost Factors

This Transmittal memorandum updates the standard retirement cost factor and inflation factors used for computing Government personnel and non-pay costs under OMB Circular No. A-76, dated August 4, 1983.

The revised standard retirement cost factor to be used is 19.1 percent for all agencies except the Department of Medicine and Surgery (DM&S) within the Veterans Administration (VA). The factor for DM&S is 8.8 percent. The composite factors are derived from the six (1988-1993) yearly dynamic normal cost rates developed by the Office of Personnel Management. The standard factor represents the Government's share of the full dynamic normal costs of the Civil Service Retirement System (CSRS) and the Federal Employees' Retirement System (FERS). The factors do not include the Government's contributions to Social Security (OASDI) and thrift savings plan costs. The DM&S factor reflects only the actual costs the VA contributes to the two retirement funds.

The revised standard retirement cost factors for cost comparisons which contain special class employees are 23.5 percent for air traffic controllers and 25.5 percent for law enforcement and fire protection employees.

The President's FY 1989 Budget contains revised economic assumptions for Federal employee pay and non-pay cost increases covering FY 1988 through FY 1993. The following factors should be applied per paragraph C of the Supplement to Circular No. A-76 on pages IV-6 and 7:

Federal Pay Raise AssumptionsInflation Factors

<u>Effective Date</u>	<u>Military</u>	<u>Civilian</u>
January 1988	2.0	2.0
January 1989	4.3	2.0
January 1990	4.6	3.0
January 1991	4.5	3.0
January 1992	4.2	3.0
January 1993	4.0	3.0

Non-Pay Categories (supplies, equipment, etc.)

FY 1988	3.3
FY 1989	3.9
FY 1990	3.6
FY 1991	3.3
FY 1992	2.8
FY 1993	2.3

The wage base to compute the medicare benefit factor (1.45 percent) will increase on a fiscal year basis as shown below. This factor should be applied per paragraph D.3.g. of the Supplement on page IV-10.

FICA Wage Base

FY 1988	\$44,700
FY 1989	\$46,125
FY 1990	\$48,525
FY 1991	\$51,450
FY 1992	\$54,450
FY 1993	\$57,450

These revisions are effective upon publication and shall apply to all studies in process where the bids or proposals have not been opened.

James C. Miller III
Director